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L.C.C. finance

[London]

[1914?]

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L.C.C. FINANCE.

N.B.—The question of Finance in so far as it relates to the Metropolitan City and Borough Councils is dealt with fully in the pamphlet issued by this Society entitled "The Metropolitan, City and Borough Councils, their Origin, Constitution and Duties," and consequently it is not thought necessary to enter further into this branch of London's Finance in the following section.

Further particulars in regard to L.C.C. Finance ending with the year 1909, will be found in the 1910 Edition of *L.C.C. Facts and Arguments* (Vol. I., pages 1-80).

The question of L.C.C. Finance is of importance, not merely *per se*, but because it necessarily enters into every branch of the work which the Council is called upon to perform, and is directly influenced by the expenditure of each of the various departments.

In the first place, we desire to call attention to the following statement which contains the principal particulars regarding the L.C.C. Estimates for the year 1912-13. The table, it will be noted, gives particulars both in regard to Ordinary Administration as also in regard to Education Administration:—

L.C.C. Estimates, 1912-13.**ORDINARY ADMINISTRATION.**

	1912-13.	1911-12.	Increase (+) or decrease (-).
	£	£	£
Balance brought forward	328,584	361,595	- 33,011
Estimated income (including rate of 1s. 5d. in £)	5,233,374	5,195,470	+ 37,904
Total	5,561,958	5,557,065	+ 4,893
Estimated expenditure	5,331,077	5,312,481	+ 18,596
Estimated balance carried forward	230,881	244,584	- 13,703

EDUCATION ADMINISTRATION.

	1912-13.	1911-12.	Increase (+) or decrease (-)
	£	£	£
Balance brought forward	501,500	517,000	- 15,500
Estimated income (including rate of 1s. 9½d. in £)	5,791,192	5,757,814	+ 33,378
Total	6,292,692	6,274,814	+ 17,878
Estimated Expenditure	6,070,104	6,017,793	+ 52,311
Estimated balance carried forward	222,588	257,021	- 34,433

TOTAL BUDGET, 1912-13.

	1912-13.	1911-12.	Increase (+) or decrease (-).
	£	£	£
Balance brought forward	830,084	878,595	- 48,511
Estimated income (including rate of 3s. 2½d. in £)	11,024,566	10,953,284	+ 71,282
Total	11,854,650	11,831,879	+ 22,771
Estimated expenditure	11,401,181	11,330,274	+ 70,907
Estimated balance carried forward	453,469	501,605	- 48,136

It will be seen that the rates for the year 1912-13, both for ordinary and education purposes, are the same as those for the year 1911-12, viz.: 1s. 5d. and 1s. 9½d. in the pound respectively.

The Finance Committee, in a report dated October 9, 1912, presented to the Council on October 15 last, also deal with this same subject. In this report, the Finance Committee state:—

"At the meeting of the Council on July 30, 1912, our Chairman made a provisional announcement that, so far as could be foreseen, and subject to further consideration after the recess, it would not be necessary to recommend any alteration in the amount of the rate originally estimated for the second six months of the year. The present position is substantially the same as it was in July, and we think that the Council should now make the rates as provisionally announced. The total rate now to be made is half the rate for the complete year 1912-13, viz., 3s. 2½d. in the pound. This is made up as follows—(i) for purposes other than education, 1s. 5d. (1s. 2½d. for general county and 2½d. for special county purposes); (ii) for purposes of education, 1s. 9½d.

"The assessable value of the administrative county since the beginning of the financial year has been reduced on appeal by £44,509. This reduction will cause a diminution in the proceeds of the county rate for the year of £2,717 on General County Account, £3,941 on Education Account, and £436 on Special County Account. We recommend—

"(a) That the Council do hereby estimate the amount that will be required to be raised in the second six months of the financial year ending March 31, 1913, by means of contributions, to be as follows:—

General County Account—			
For purposes other	£		
than education ...	1,366,545	equal to a rate of	7-325d. in the £
For education ...	1,982,191	"	10-625d. "
	3,348,736		17-950d. "
Special County Account	191,270	"	1-175d. "
	3,540,006	"	19-125d. "

(Extracted from L.C.C. Agenda, p. 4.)

1 March, 1920 - C.R.W.

The total estimated expenditure of the Council for the year 1912-13, it will be noted, amounts to the very substantial sum of £11,401,181. This largely exceeds in amount the annual national expenditure of many countries both in and out of Europe, *e.g.*, Denmark (expenditure: £7,731,000; population: 2,775,076), Norway (expenditure: £6,540,000; population: 2,392,000), Greece (expenditure: £5,601,000; population: 2,700,000), Servia (expenditure: £4,803,000; population: 2,912,000), Switzerland (expenditure: £3,699,000; population: 3,742,000), Bulgaria (expenditure: £7,136,000; population: 4,329,200), Bolivia, Peru, Cuba, etc., etc.

The magnitude of the London County Council's expenditure in itself is sufficient to prove conclusively that there are scarcely any cities in the world which for the purposes of local government are in any sense comparable to London, and most certainly none in any part of the United Kingdom.

The subject of L.C.C. expenditure necessarily divides itself into two parts:—

(1) Expenditure which is defrayed out of the rates; and

(2) Expenditure in respect of which debt is incurred.

(1) L.C.C. Rates.

The rates for which the Council is now directly responsible are two in number. Firstly, the ordinary County Rate, and, secondly, the Education Rate. The following table gives the amount of these two rates for the past 13 years:—

Year.	Party in Power.	Ordinary County Rate.	Education Rate.
1900-1	P.	d.	d.
1901-2	P.	14-50	13-98
1902-3	P.	15-00	14-51
1903-4	P.	15-50	14-66
1904-5	P.	16-75	15-18
1905-6	P.	17-75	16-00*
1906-7	P.	17-00	18-00
1907-8	M.R.	17-00	19-00
1908-9	M.R.	17-00	18-00
1909-10	M.R.	17-00	19-75
1910-11	M.R.	17-00	20-25
1911-12	M.R.	17-00	21-25
1912-13	M.R.	17-00	21-25

* The Education Rate was levied by the London School Board down to and including the half-year ended September, 1904.

From the foregoing table it will be noted that **the ordinary County Rate has remained unchanged in amount during the whole period of upwards of six years in which the Municipal Reform party have been in a majority on the Council.**

So far as the **Education Rate** is concerned, it will be observed that since the last year of Progressive rule, this has increased in amount by 2½d. in the pound. This increase in the Education Rate represents a total increase in expenditure of £420,000 per annum. This increase, however, it should be carefully borne in mind, is more than accounted for by the fact that this year the sum required for teachers' salaries represents an increase of no less than £429,000, as compared with the corresponding figure for the year 1906-7. **In other words, the increase in teachers' salaries consequent upon the new scale of salaries carried by the Progressives in the year 1905, shortly before they went out of office, more than accounts for the total increase in the amount of the Education Rate during the period in which the Reformers have been in the majority.**

This is an important fact, consequently, to impress upon London Electors.

It must not for one moment be supposed that the Municipal Reform Party are opposed to this increase in teachers' salaries. All that it is sought to emphasize is that **since this increase is consequent upon the action of the Progressives, taken whilst still in a majority in the Council, it now ill becomes that Party to gird at the Municipal Reformers on account of the consequential increase in educational expenditure, which they themselves have rendered inevitable.**

So far as the increase in the Education Rate is concerned, the point is well put in a recent lecture on London Education by Mr. Cyril S. Cobb, the present Chairman of the London County Council Education Committee.

The paragraph in question is as follows:—

"I think there is no point on which the Municipal Reform Party is so justly entitled to congratulate itself as this—that, taking into consideration the fact that the need for that extra 2½d. on the rate is almost entirely accounted for by the increased cost of teachers' salaries under the revised regulations passed by the Progressive-Socialist Party prior to the election of 1907, we have carried out so many far-reaching educational reforms without any further demands upon the ratepayers' pockets. The whole of our central school organisation, our trade schools, the expansion and reorganisation of domestic economy and manual training instruction, the entire reorganisation of medical inspection and the whole work of medical treatment, the increase in the feeding of children, and many other minor reforms, all costing money, have been carried out without further burdening the ratepayer."

The following brief statement shows the increase which has taken place in the expenditure on salaries

of Elementary Teachers between the years 1906-7 and 1912-13:—

Year.		
1906-7	... ..	£2,217,970
1912-13	... ..	2,607,015
Increase ...		£389,045, or 209d. rate.

The main increases in the Council's expenditure on Education since 1907 are as follows:—

Salaries of teachers (including teachers of special subjects and all instructors)	... ..	£429,000
Meals for necessitous children	...	94,000
Medical inspection and treatment	...	55,000
Superannuation*...	... ..	74,000
Total	... ..	£652,000

This total increase, allowing for a possible new grant of £20,000 from the Board of Education for medical treatment, represents a rate of nearly 3½d. in the pound. Yet the annual increase has been only 2½d. **In other words, the business-like administration of the Municipal Reformers, as far as Education is concerned, has resulted in the saving of an equivalent of more than a penny rate in the £.**

Reasons which account for the Increase in Expenditure.

Of late, members of the Progressive-Socialist Party, have attempted to make much play in view of the coming Elections of the fact that the expenditure of

* Since this was written the Board of Education has improved its superannuation scheme. This will reduce L.C.C. expenditure under this heading by about £10,000. The excellent complementary superannuation scheme carried by the Municipal Reformers for the London teachers has obviously prompted the Government to do something for teachers all over the country.

the Council has risen substantially if a comparison be made between the period covering the three years ended March 31, 1907, and the period which covers the three years ended March 31, 1913. With a view to obtaining the true facts, Lord Greville, a member of the Municipal Reform Party, put the following question to the Chairman of the Finance Committee at the Council's meeting held on November 12, 1912:—

“What are the principal items which account for the increase of approximately £3,155,000 in the aggregate amount to be raised by rate by this Council over the aggregate amount raised by the Council which sat from March, 1904, to March, 1907?”

Mr. R. C. Norman (Chairman of the Finance Committee), in reply, said:—

“The increase of approximately £3,155,000 in the aggregate amount raised, or to be raised, by this Council in the three years 1910-11, 1911-12 and 1912-13, over the amount raised by the Council which sat from March, 1904, to March, 1907, is more than accounted for by the increase on the education service alone, as follows:—

Teachers' salaries	£1,388,000
Teachers' superannuation	100,000
Training of teachers	60,000
Medical inspection and treatment	113,000
Provision of meals	257,000
Secondary schools, etc.	88,000
Evening schools, etc.	218,000
Scholarships and exhibitions	123,000
Other expenditure, including debt charges	823,000
Total increase in respect of education	£3,170,000

“In addition to the increase on education there were increases on other services, the largest of which are:—

Fire brigade	£150,000
Main drainage	280,000
Means of communication (street improvements, etc.)	240,000 ”

Mr. Norman's statement, consequently, proves conclusively that had it not been for the fact that the Municipal Reform Party have effected considerable economies since they came into office, the total amount of the Council's combined rate would at the present time have had to be further considerably increased. That the Progressive-Socialist Party should endeavour to make party capital out of this increase in expenditure, due almost entirely to the action of their own party whilst in a majority on the Council, and to that of the present Radical-Progressive Government, is fully in keeping with their other electioneering methods.

Increase in Rates under the Progressives.

From an examination of the preceding table set out on page 5, which gives the amount both of the County and Education Rates, it will also be observed that the amount of the County Rate under Progressive-Socialist rule was raised between the years 1900-1 and 1906-7 by 2½d. in the pound, and that the Education Rate in the three years 1903-4 to 1906-7 increased by slightly over 3¾d., viz., 3'82d. This bald statement, however, by no means discloses the whole facts of the case, since it is necessary to take into consideration both the fact that the assessable value of London during this period of Progressive-Socialist rule increased enormously, as also that during

this same period London received substantial assistance (as will appear from the table on page 20) from Exchequer Contributions.

Between the years 1900-1 and 1906-7, the assessable value of London increased by no less a sum than £5,767,000. As against this very substantial increase of £5,767,000, the comparable figure for the six years in which the Reformers have been in control of L.C.C. Finance, amounts to only just over one and a half million pounds. In fact, during this latter period, for the first time in the history of London, the Quinquennial Valuation which took place in the year 1910-11 showed an actual reduction in the total assessable value of the County.

Decrease in London's Assessable Value.

The following brief table shows the effect of the last three Quinquennial Valuations upon the total assessable value of the City of London and the 28 Metropolitan Boroughs:—

Year.	Amount, (+ or -) £
1900-1	+ 2,153,457
1905-6	+ 1,668,968
1910-11	- 189,505

(See *London Statistics*, Vol. XXI., p. 587.)

The reduction in the valuation for the year 1910-11 is due principally to two causes, viz.:—

- (1) To the general fall in the value of property consequent on the Budget of 1909; and
- (2) To the very great reduction in the value of licensed houses in London, directly caused by the new system of Licence Duties introduced by the same Budget of 1909.

The burden imposed on the owners of licensed properties in the London area by the Budget of 1909 is, in fact, out of all proportion to that imposed on other parts of the United Kingdom. According to the Liquor Licence Duties Return of July 11, 1912, under the Finance (1909-10) Act, 1910, London pays an increased taxation of 205 per cent., whilst the rest of England pays an increase of 99 per cent., Scotland of 57 per cent., and Ireland of only 11 per cent.

Below we publish a table which gives the rateable value for the County of London, as also the produce of a 1d. rate in the pound levied over the whole County, since the date when the London County Council first came into existence:—

Year.	Rateable or Assessable Value.	Produce of a Penny Rate over the Whole County.
	Rateable Value, as defined by Metropolis Management Act, 1855.	£
1889-90	31,588,153	131,617
1890-91	31,777,015	132,404
1891-92	33,004,612	137,519
1892-93	33,264,483	138,602
1893-94	33,578,860	139,912
1894-95	33,902,747	141,261
1895-96	34,221,830	142,591
1896-97	35,793,672	149,140
	Assessable Value, as defined by the Agricultural Rates Act, 1896.	
1897-98	36,068,482	150,285
1898-99	36,569,700	152,374
1899-1900	37,007,151	154,196
1900-1	37,547,985	156,450
1901-2	39,631,853	165,133
1902-3	40,092,322	167,051

Year.	Rateable or Assessable Value.	Produce of a Penny Rate over the Whole County.
	Assessable Value, as defined by the Agricultural Rates Act, 1896.	
	£	£
1903-4	40,612,953	169,221
1904-5	41,076,536	171,152
1905-6	41,646,737	173,528
1906-7	43,315,705	180,482
1907-8	43,765,199	182,355
1908-9	44,247,706	184,365
1909-10	44,588,659	185,786
1910-11	44,858,775	186,912
1911-12		186,746

(See *L.C.C. Financial Abstract*, p. 40.)

The foregoing briefly discloses what is the position in regard to the two rates for the amount of which the Council is directly responsible.

(2) L.C.C. Debt.

What, then, is the position in regard to L.C.C. debt?

At the time when the Municipal Reform Party first came into office, viz., in March, 1907, the debt on the rates amounted to over thirty-nine million pounds, whilst, in addition, there were capital commitments incurred by the Progressive-Socialists on Rate Accounts amounting to over nine and a quarter million pounds. Capital commitments, it should be noted, are future expenditure on capital account from which no escape is possible. They are partly composed of the balances of the estimated cost of works begun and partly paid for, but not yet completed. Partly, also, they are

composed of obligations in respect of schemes to which the Council is definitely committed, but which have not yet been actually put in hand.

The following table shows the total Debt and the total Assets of the London County Council, as also the Net Debt of the Council for the years 1889-90 to 1910-11:—

At 31st March.	Total Debt.	Total Assets.	Net Debt.
	Amount. (a)	Amount. (b)	a-b (c)
	£	£	£
1890	30,195,000	11,880,000	18,318,000
1891	30,294,000	12,389,000	17,905,000
1892	30,641,000	12,835,000	17,806,000
1893	31,421,000	13,378,000	18,043,000
1894	33,026,000	14,340,000	18,686,000
1895	34,859,000	15,416,000	19,443,000
1896	35,822,000	16,607,000	19,215,000
1897	37,301,000	18,195,000	19,106,000
1898	39,378,000	19,284,000	20,094,000
1899	41,941,000	20,379,000	21,562,000
1900	44,436,000	21,405,000	23,032,000
1901	47,939,000	23,125,000	24,814,000
1902	52,750,000	25,561,000	27,189,000
1903	57,627,000	28,927,000	28,700,000
1904	61,131,000	30,529,000	30,602,000
*1905	71,585,000	26,967,000	44,618,000
1906	74,514,000	29,280,000	45,234,000
1907	78,801,000	30,487,000	48,314,000
1908	81,155,000	31,217,000	49,938,000
1909	82,165,000	31,517,000	50,649,000
1910	83,235,000	31,919,000	51,317,000
1911	84,372,000	32,540,000	51,833,000

* In 1904-1905, the London County Council took over the debt of the School Board for London, amounting on May 1st, 1904, approximately to £11,549,000.

(Extracted from the *Statistical Abstracts for London*.)

The alarming growth of the L.C.C. Debt under the Progressive-Socialist régime will be observed by reference to the above table.

Next, attention is directed to the subjoined table, which gives the net debt of the London County Council, showing respectively (a) the amount charged on the rates, and (b) the amount in respect of revenue-producing concerns, as also the equivalent rate in the pound in respect of such debt:—

Net Debt of the London County Council.

Year ending March 31st.	Net Debt charged on the Rates.	Net Debt on revenue-producing concerns.	Equivalent Rate in the £
	£ (thousands)	£ (thousands)	d.
1900	30,540*	2,537	11-19
1901	32,769*	2,492	12-08
1902	35,176*	2,780	11-49
1903	36,099*	3,673	12-22
1904	37,424	4,609	12-69
1905	39,052	5,566	13-02
1906	38,765	6,469	13-07
1907	39,799	8,514	12-99
1908	40,192	9,746†	13-17
1909	40,073	10,575	13-15
1910	39,789	11,528	13-32
1911	39,677	12,155	13-29

* Including Education Debt, transferred to L.C.C. in 1904.

† The Debt in respect of Steamboats was transferred to the category of rate services, thus adding about £200,000 to the debt charged on rates.

Authority. London Debt Returns.

(Extracted from the Statistical Abstracts for London.)

The position in regard to the reduction of debt was thus summarised by Mr. R. C. Norman, the Chairman of the L.C.C. Finance Committee, in an address delivered on May 22, 1912:—

“The result of those very heavy commitments which we inherited was that, however careful we were, we could not conceivably reduce the debt of the county at once. But as the result of very careful economy, we have this record, that although in the first year the net debt on rate accounts went up just a little over one million, to £40,432,000, since then, in spite of the commitments which I have mentioned, and in spite of a great deal of other necessary capital expenditure,

the debt has gone slightly down every year. The debt is now under 40 millions, and the commitments of over nine and a quarter millions,* which we inherited, are now down to under five millions. That is a very satisfactory result. It means that we are not nearly so heavily involved as we were six years ago. We may have to spend more money on various projects, but we have a much freer hand, and those who go back in March next—and I hope it will be the Municipal Reform Party—will not be tied up as we were.”

Since the date of this address, a programme of schoolbuilding to extend over a period of 15 years and to cost approximately £5,150,000 has been agreed to, and this becomes therefore a commitment. It has never been the practice in the past to lay definite plans for so long a period ahead, and the commitments in the past have in consequence had no regard as a rule, to the liabilities of more than the next few years.

If this course had been followed earlier the commitments left by the Progressives in 1907 would have been far larger than they actually were, and this must be borne in mind when making a comparison.

It is very satisfactory to note that even with this large addition the present commitments show a notable reduction over those left by the Progressives.

L.C.C. Capital Expenditure.

The following table gives the expenditure of the Council on Capital Account for the under-mentioned years:—

	£
1900-1 (P.)	2,356,288
1901-2 „	2,922,280
1902-3 „	3,831,633
1903-4 „	3,386,307
1904-5 „	3,836,758
1905-6 „	3,528,057
1906-7 „	4,722,256

* Taking the capital commitments as a whole and including the commitments on Revenue-producing undertakings, the figures are as follows:—Dec., 1906, £17,650,000; Dec., 1911, £7,596,000.

1907-8 (M.R.)	...	...	£ 3,260,983
1908-9	"	...	2,391,581
1909-10	"	...	2,549,627
1910-11	"	...	2,185,990

Closely connected with this subject of L.C.C. Capital Expenditure is that of debt cancellation. From the subjoined table will be apparent the record of the two parties in this important respect so far as relates to the under-mentioned years:—

Cancellation of Debt.

Year.	Party in Power.	Cash outlay.	Stock (debt) cancelled.
1904-5	Progressives	£250,000	£290,686
1905-6	"	400,000	453,250
1906-7	"	50,000	56,083
1907-8	Municipal Reformers	750,000	805,019
1908-9	"	1,000,000	1,153,418
1909-10	"	935,004	1,063,954
1910-11	"	564,955	615,580

An examination of the foregoing table will show that whilst during the last three years of Progressive-Socialist rule, viz., 1904-7, the total sum placed to debt cancellation amounted to £700,000, *i.e.*, an annual average of £233,333; for the three complete years of Municipal Reform Administration ended March 31, 1911, the total sum so placed towards debt cancellation amounts to £2,499,959, *i.e.*, an annual average of £833,319, or nearly four times as much.

In considering the debt of the L.C.C., it is necessary to differentiate between **debt on Rate Service Account** and **debt attributable to revenue-producing undertakings**. The following table gives the total debt of the L.C.C. for the past six years, divided into these two classes; and sets out the principal items under each of these two heads:—

LONDON COUNTY COUNCIL.		1905-6.	1906-7.	1907-8.
Year	...	...	...	...
Rate Services—	...	...	...	...
Education	...	11,691,768	11,584,781	11,538,084
Other	...	26,791,409	27,937,046	28,653,882
	...	38,483,177	39,521,827	40,191,966
Revenue-Producing Services—	...	...	...	...
Tramways	...	4,239,801	6,108,906	7,262,140
Dwellings	...	2,226,920	2,403,361	2,462,307
Other	...	284,300	279,655	1,718*
	...	6,751,021	8,791,922	9,746,165
Grand Total	...	£45,234,198	£48,313,749	£49,938,131
LONDON COUNTY COUNCIL.		1908-9.	1909-10.	1910-11.
Year	...	...	...	...
Rate Services—	...	...	...	...
Education	...	11,542,105	11,501,973	11,386,550
Other	...	28,531,351	28,286,944	28,290,870
	...	40,073,456	39,788,917	39,677,420
Revenue-Producing Services—	...	...	...	...
Tramways	...	8,043,139	8,899,099	9,465,500
Dwellings	...	2,528,956	2,626,354	2,688,106
Other	...	2,987	2,351	1,819
	...	10,575,082	11,527,804	12,155,425
Grand Total	...	£50,648,538	£51,316,721	£51,832,845

(Extracted from the L.C.C. Returns for "London Debt" for the various years.)
 * The large decrease in the 1907-8 figure, compared with the corresponding figure for 1906-7 is due to the transfer of the debt in respect of Thames Steamboats to the category of Rate Services.

The too-hasty student of L.C.C. Finance might, not unnaturally, jump to the conclusion that so-called revenue-producing undertakings necessarily comprised undertakings which were productive of revenue. This, however, is very far from being the case, as witness the fact that the Progressive venture, known as the L.C.C. Steamboat Service, which resulted in a loss to London of many hundreds of thousands of pounds, was so designated.

Further, as to whether an undertaking is productive of revenue or not, frequently depends to a very large extent upon the amounts charged against the undertaking. In this respect, it must be borne in mind that the Progressive-Socialists when in power were accustomed to set at defiance the dictates of proper accountancy. For example, their practice was, in the case of the Tramway undertaking, to debit items such as street widenings against other accounts, whereas rightly the cost should have been charged against the Tramway account. On this latter point, particulars will be found in the section on L.C.C. Tramways.

Net Debt of London.

Before leaving this subject, we desire to call attention to the following striking figures relative to the net debt* of London. This, as will be seen from the tabular statement which follows, rose under Progressive-Socialist rule by leaps and bounds.

Year ending March 31st.		Equivalent Rate for Debt.
1900	£42,564,303	18'62d.
1907	55,274,967	21'76d.
Increase	£12,710,664	3'14d.

*The foregoing figures are taken from the L.C.C. returns, entitled "London Debt," for the various years. This Debt, it must be clearly recollected, does not represent merely the debt of the L.C.C., but of other

This means that, in seven years, the **Progressive-Socialists added over 12½ millions to London's debt and more than 3d. in the £ to the rates solely for debt charges.**

Under **Municipal Reform, the total net debt of London falling on the rates has been steadily reduced.**

Year ending March 31st.	Amount of Debt.	Equivalent Rate for Debt.
1907	£55,274,967	21'76d.
1911	52,799,783	20'98d.
Decrease	£2,475,184	Decrease 0'78d.

Municipal Reform has, therefore, diminished London's net debt by nearly 2½ millions and reduced the charge on the rates for debt by nearly four-fifths of a penny rate, or £140,000 a year.

bodies also, such as the Metropolitan Asylums Board, Metropolitan Borough Councils and City Corporation, and the Poor Law Guardians.

The above total of £52,799,783, for the year ending March 31st, 1911, is arrived at as follows:—

Description of Debt.	Net debt outstanding.	Annual charge.	
		Falling on rates.	Met out of revenues.
I. DEBT SECURED ON THE RATES—	£	£	£
(i) In respect of rate services—			
London County Council—			
Education	11,396,550	782,574	—
Other services	28,290,870	1,670,505	—
	39,677,420	2,453,079	—
Metropolitan Asylums Board ...	2,549,228	280,235	—
Metropolitan Police Receiver (London's rateable proportion)—			
Police courts	65,271	5,598	—
Police stations and offices ...	107,623	16,137	—
Central (Unemployed) Body ...	22,200	3,978	—
Metropolitan Borough Councils and City Corporation	6,832,266	725,685	—
Guardians and sick asylum and school district managers	2,545,775	380,829	—
Total in respect of rate services	52,799,783	3,865,531	—

(See *London Debt Return*, 1910-11, p. 8.)

Exchequer Contributions.

We now pass to the important question of Exchequer Grants to London, in respect of which fate has been so adverse to the Municipal Reformers. The subjoined table gives the balance of Exchequer contributions carried to the General County Account since the date when the L.C.C. first came into existence:—

Year.	£	Year.	£
1889-90 ...	203,546	1901-2 ...	127,509
1890-1 ...	379,282	1902-3 ...	92,371
1891-2 ...	459,855	1903-4 ...	64,374
1892-3 ...	339,411	1904-5 ...	50,449
1893-4 ...	288,827	1905-6 ...	53,333
1894-5 ...	213,461	1906-7 ...	86,246
1895-6 ...	261,487	1907-8 ...	30,456
1896-7 ...	172,697	1908-9 ...	1,400
1897-8 ...	196,420	1909-10 ...	20,312
1898-9 ...	190,681	1910-11 ...	-32,278
1899-1900 ...	255,992	1911-12 ...	-24,046
1900-1 ...	162,375		

(See table, pp. 128 and 129, *Appendix to First Report of the Departmental Committee on Local Taxation.*)

It will be seen, therefore, that for the second year in succession the amount credited to the Exchequer Contribution Account is insufficient to meet the statutory charges thereon, with the result that for the year 1911-12, as shown above, there is **an actual deficiency of £24,046.** (See as to this the Report of the L.C.C. Finance Committee of July 24, 1912; L.C.C. Agenda for July 30, 1912, pages 2 and 3.)

The amount of this deficiency is £8,232 less than that for the preceding year, viz.: 1910-11.

The above-mentioned Report of the Finance Committee contains full particulars relative to the Exchequer Contributions Account for the year 1911-12, the latest yet available.

From the foregoing table it will be apparent also that the Progressive-Socialists during their period of office were far more favourably situated in regard to finance than has been the case with their successors. In the first place, they did not attempt to liquidate the large debts and commitments which they themselves, whilst in office, created. Secondly, their finances, as shown above, were helped by an enormous increase in the assessable value of London. Thirdly, they received a contribution from the Imperial Exchequer in relief of rates amounting in their last year of office to over £86,000. This relief, as shown in the foregoing table, in previous years frequently exceeded in amount £200,000, and in one year attained the very substantial sum of approximately £460,000. This latter figure, at the time be it noted, was equivalent in amount to the produce of a rate of practically 3½d. in the pound; and therefore enabled a corresponding reduction to be effected in the amount of the rate levied.

London's Case against the Government.

At this point it would be well to consider London's case against the Government in so far as Finance is concerned. This has been ably summarised by Mr. W. Hayes Fisher, M.P., ex-Chairman of the L.C.C. Finance Committee, in an address delivered at the meeting of the Metropolitan Division of the National Unionist Association, held on May 8, 1912.

From this address, we quote as follows:—

"I will now state under different heads London's special case against the Government.

"(1) This Radical Government has twice refused—thereby breaking their most definite and categorical promises—to relieve the ratepayer by increased grants from the Exchequer.

" Twice I moved in the House of Commons amendments to the Address asking for interim and immediate relief to the ratepayers of a specific character. On both occasions the Radical M.P.'s for London constituencies voted with the Government for refusing that immediate relief. Instead of giving any relief, the Government gave an enquiry by a Departmental Committee, on which they refused to give London ratepayers any representation.

" (2) This Radical Government, supported by Radical M.P.'s for London, has largely increased the cost of National services to the ratepayers, without providing any new grants.

" (A) Under the head of ' Education ':

" (i) The Education (Provision of Meals) Act, 1906.

" That is an Act under which local education authorities feed week by week when the schools are open numbers of children because they are incapable of receiving the benefits of education in their badly nourished condition. In London we are feeding about 40,000 children a week in this way, at an annual expense to the ratepayers of about £90,000.

" That is a very justifiable expenditure, but it does not seem to me that it is expenditure which ought to be put on the Education Rate or ought to be borne by the local ratepayer. Surely this is part of national health expenditure which ought to be borne by everybody whether owners of realty or owners of personalty. Radicals may tell you that the London County Councillors were not obliged to feed these children, that the Act of 1906 was optional. These very men issued leaflets and placards against the Municipal Reform Candidates, denouncing them as ' Kid-starvers.' ' May,' in Acts of Parliament of this kind soon becomes ' Must.'

" (ii) Then this Government gave us the Education (Administrative Provisions) Act, 1907.

" That compels all local educational authorities to have all the children in their schools medically inspected, although it is optional with them whether they will follow up this medical inspection by medical treatment at the expense of the ratepayers. The London County Council spent in 1911-12 a sum of £46,000 in

carrying out their duties under this Act, and the Government made no grant towards it. Yet surely this again is national health expenditure.

" The Government has at last begun to see the weakness of its own position, for it has just promised a grant of £60,000 for the year 1912-13 to be distributed among all the local educational authorities to partially defray the cost incurred by them in the medical treatment of the children. We do not yet know what conditions are to govern the distribution of that grant. We ought to receive as much as 75 per cent. of our expenditure. London will be curious to see whether it is for once treated fairly by this Radical Government.

" (iii) But in addition to legislation the action of the Board of Education is even more capable of forcing expenditure on the rates by its departmental orders.

" For example: look at Article XIV. Under that article the Board of Education is forcing upon the L.C.C. a scheme for reduction of the size of its classes which, when complete, will entail an additional rate of 4½d. The Board is able to compel the ratepayers to that large expenditure without compelling the Treasury to give any corresponding grants.

" The London County Council is in agreement with the Board of Education in its general plan gradually to reduce the size of the classes down to 40 for children and 48 for infants, but it protests against the policy of the Government in forcing the ratepayers to reconstruct their schools at a great pace for this purpose without any financial assistance from the Exchequer. Yet, because the Education Committee of the London County Council set about this huge task of reducing the size of its classes in a careful and comprehensive and business-like manner, this Radical Government has inflicted a fine upon the London ratepayers of £10,000.* Of course, Mr. Lloyd George pockets this £10,000 for his wonderful surplus of which Radicals are never tired of boasting.

" This is one of the meanest and most contemptible actions of the Government in fleecing the London ratepayers for their own benefit. And the infliction of this

* For further particulars as to this, see the Section on Education.

fine is the more unjustifiable because the London Education Authority is the most advanced and most up-to-date among all Education Authorities, whether you judge it by its school buildings, its school curriculum, the number of its certificated teachers, the salaries paid to them, and its superannuation scheme, or by any other standard proving educational efficiency. I have endeavoured to show, and I think you will agree that I have shown, that the present Radical Government has compelled the London ratepayers to incur heavy additional expenditure on matters which are only indirectly connected with education, which are of national rather than of local importance, and which ought, therefore, to be paid for by all the taxpayers instead of by the ratepayers alone. Now, this new injustice to the London ratepayers is the more accentuated because already London ratepayers pay a far larger share of the total cost of education than any other body of ratepayers in England and Wales. Let me explain this.

"The entire cost of elementary education is paid for partly out of rates and partly out of Exchequer grants, or to put it shortly, out of national taxation. The proportion of grants to rates stands as follows:—

	Rates.	Grants.
"London	68'8	31'2
County Boroughs	48'7	51'3
Areas under County Councils other than London	41'9	58'1

"So that it will be seen that out of every £100 spent on education the ratepayers of London find (say) £70, whereas the ratepayers in the County Boroughs find £50, and in County Council areas outside London (say) £40.

"You may take it that since this Radical Government has been in power almost the entire cost of any new expenditure upon education has been put on the back of the London ratepayer. Let me give a concrete figure. During the last (say) five years educational expenditure has risen by 12s. 8d. a child in London. Of this sum 12s. 1d. has been found by the London ratepayers and only 7d. by the Government. This Government has largely increased the cost of national services to the ratepayer without any new or adequate grants. I have dealt under (A) with Education. I now deal under (B) with Cost of Police.

"(B) The cost of the Police.

"This Radical Government coolly came down to the House of Commons recently in the middle of the night and proposed to take power to raise from the ratepayers an additional rate of 2d. in the pound. Now please understand that the expenditure on the London Police has for 40 years been limited to the equivalent of a rate of 9d. in the pound.

"This may be exceeded for the purpose of meeting a deficiency on the Police Pension Fund. But for all general police purposes the ratepayers in the London police area have paid a 5d. rate and no more, and the Government the equivalent of a 4d. rate and no more. And this proportion of expenditure upon the London police of five-ninths and four-ninths has been rigidly observed for the last 40 years. Now this Radical Government has suddenly taken the power to levy a new additional 2d. rate to which they don't contribute anything, thus altering the proportions from five-ninths and four-ninths to seven-elevenths and four-elevenths. The Government plead that much of this increased expenditure is caused by the Act which gave to policemen one day's rest in seven. Now we are all in favour of the police having this rest day, and we London ratepayers are quite willing to pay our fair share of the additional expenditure thereby caused. Indeed, it was to Mr. Remnant, the Conservative M.P. for Holborn, that this movement for giving the police one day's rest in seven owed so much of its success. But we London ratepayers do protest against the Government refusing to bear their fair share of the cost.

"The Government have largely increased the cost of national services to the ratepayer without any new or adequate grants.

"Let me give another instance.

"(c) The cost of collection of local taxation licences.

"The Government, contrary to the desire of the London County Council, transferred to it the somewhat unpopular duty of collecting the licence duties on carriages, motor cars, men-servants, armorial bearings, dogs, game, guns, etc. It costs the L.C.C. £15,000 per annum to collect these licences. The Government pay the L.C.C. £4,000 per annum for taking this unpopular duty off their hands. If the L.C.C. were allowed to retain the proceeds of these taxes for the

benefit of the London ratepayers, they would have no complaint in connection with the cost of collection. But watch the destiny of the proceeds. Of the £111,836 which the L.C.C. collected on carriages and motors, excluding taxi-cabs, the share which it is allowed to retain is fixed at £55,000, and whatever balance is over (and the balance will be a growing balance) goes to a fund called the 'Road Development Fund.'

"Now, of this 'Road Development Fund' the London ratepayers have not at present received a penny, although they are large contributors. It is difficult to see the equity of an arrangement which distributes the taxes paid by taxi-cabs in London among the ratepayers of counties as remote as Caithness or Cornwall for the development of their roads. Perhaps some day London will be considered, for London badly wants newly developed roads to accommodate its ever-increasing traffic.

"In considering the special case of London ratepayers against the Government, we now approach heading—

"(3) That by the action of the Government in placing new charges upon the Exchequer contributions they have diminished to vanishing point the amount available for the relief of the ratepayer.

"In the earlier years under a Unionist Government there were large surplus balances which went direct to the diminution of the ratepayers' burden. For the year 1910-11, under a Radical Government, there will be an actual deficiency of £31,000, and for the first time since 1888 these revenues will be insufficient to meet the statutory charges on this account. And for 1911-12 there will be a deficiency of £17,591, which has to be met out of the County Rate. The County Rate, in fact, instead of being relieved by Exchequer contributions has now to find money to meet Exchequer charges. Compare this state of finance with the happy days which the Progressive Party enjoyed when they reigned supreme at the London County Council, with a Unionist Government in power at Westminster and a Unionist Chancellor of the Exchequer in Downing Street. For the first five years of Progressive rule on the L.C.C. the Unionist Exchequer provided them with surplus balances, equivalent to a reduction of 2d. in the L.C.C. rate. And for many years the surplus balances

were equivalent to a reduction of a 1d. in the rates. It is true that these surpluses were gradually diminishing. But seeing that that was so, it was all the more unfair of this Radical Government to place new national charges on the ratepayers without new grants.

"We now come to our fourth and last head of argument in proving that the London ratepayers have a special grievance against the Government, viz.: (4) That this Radical Government has, by a system of finance profitable to itself, diminished the assessable value of the property from which the London ratepayers derive their revenue. The Government for their own pecuniary advantage, under the Finance Act of 1910, largely increased the amount of the duties levied on licensed premises. This occasioned a reduction in the assessable value of these premises of £370,000, and a consequent loss to the rates contributed by this class of property calculated at £157,000 a year, or a sum nearly equivalent to a penny rate. The result of the last quinquennial valuation showed a decrease of £190,000 on the preceding year."

In the Memorandum submitted on behalf of the Council to the Departmental Committee on Local Taxation, which received the Council's approval on July 11, 1911, the following **official statement embodying the grievances of the London ratepayer** is set out and deserves careful attention:—

(1) By losses in respect of deficiencies in assigned revenues:—			
(a) By reason of defects in basis of apportionment of assigned revenues	£	212,822	2
(b) By deductions from assigned revenues:—			
(i) Under Diseases of Animals Acts ...	£	24,174	
(ii) Under Tithe Rentcharge (Rates) Act, 1899		31,628	
		35,802	
(c) By reduction of produce of assigned revenues due to withdrawal of the monopoly value payments as the result of the Finance (1909-10) Act, 1910		7,208	
(d) By loss of revenue from carriage licence duties under the Revenue Act, 1911, upwards of ...		10,000	
		265,832	
(2) Loss of rate revenue on reduced assessments of licensed premises on account of increased duties under Finance (1909-10) Act, 1910			
		146,000	
		£2411,832	

(3) Cost of new national duties and developments in old duties, incurred since 1st April, 1904:—			
	£		£
Education	1,018,890		
Unemployed Workmen Act, 1905	45,000		
Glanders or Farcy Order, 1907	6,000		
(One-half of the average expenditure during past four years.)			
Collection of local taxation licences (Finance Act, 1908)	9,875		
Police Pension Fund deficiency rate (London's proportion)	123,000		
Police weekly rest-day (London's proportion)	126,000		
		1,328,765	
		<u>£1,740,597</u>	
Against this additional expenditure must be set the following additional grants:—			
Education grants (including the whole of the new aid grant)	581,500		
Additional police grant under Police Act, 1909 (London's proportion)	48,000		
		629,500	
		<u>£1,111,097</u>	
Deduct—Treasury estimate of saving in poor rates owing to removal of pauper disqualification for old age pensions			
		117,000	
Nett loss, or additional charge on the rates		<u>£994,097</u>	

London and the Proceeds of Land Taxation.

One important effect of the Revenue Act, 1911, as emphasised in the Memorandum submitted by the Council to the Departmental Committee on Local Taxation, was to suspend the operation of Section 91 of the Finance (1909-10) Act, 1910, allocating one-half of the proceeds of the duties on land values for the benefit of local authorities until Parliament shall otherwise determine, but not beyond March 31, 1914. **It follows, therefore, that local authorities will not receive any part of the proceeds of these duties until another Act of Parliament is passed.**

These taxes, in the opinion of the Council, as first expressed in their Memorandum of September 8, 1909, are clearly local in origin, and "should, for the reasons

set forth in the Memorandum referred to, inure to the benefit of the localities."

(See pp. 98 and 99 of *Appendix to First Report of Departmental Committee on Local Taxation*—Cd. 6303 of 1912.)

This, however, by no means accords with the view which finds favour with the promoters of these taxes. One of the witnesses, specially selected to give evidence on behalf of the group of Members of Parliament who recently petitioned the Prime Minister in favour of the Taxation of Land Values, was Mr. Crompton Llewellyn Davies.

In his evidence before the Departmental Committee appointed by the Government on Local Taxation, Mr. Llewellyn Davies was asked these questions (December 14, 1911):—

Question: Whether the inhabitants of Glasgow would be very willing to contribute a portion of their land values to the inhabitants of Skye?

Answer: I should think they would be, if they were honest and just persons.

Question: On the same system the inhabitants of London, where land values are very high, would also quite fairly and honestly contribute to the burdens of the Lews or of Connaught?

Answer: I should be ashamed to repudiate it if I was one of the persons on whom the burden should fall.

Question: But there are some people—I think in Glasgow, for example; but I am not very sure about the London County Council, but I rather think it is the case there also—who put forward the claim that the whole produce of the national tax on land values accruing to their own district should be used by them directly for the purpose of meeting local burdens?

Answer: It is demonstrably inexact and unjust in my opinion.

(See Cd. 6303, I., of 1912, p. 118.)

The foregoing proves unmistakably that London is not to be allowed to benefit from the moneys raised by the Taxation of Land Values in London; but that out-of-the-way islands off the coast of Scotland and remote parts of Ireland, are also to share in the proceeds, should effect be given to the land taxers' proposals.

Not only is this grossly unfair to the inhabitants of London, but it directly conflicts with the ground on which the land taxers seek to justify this further proposal to tax land, namely, that the values have been created by the community.

So much, then, for the Progressive-Socialist assertion that London's salvation lies in the rating and taxing of Land Values!*

London worse treated than other parts of Great Britain.

A table is included in the Appendix to the first Report of the Departmental Committee on Local Taxation (page 135) which gives the comparative expenditure of London Boards of Guardians on poor relief for the two years 1890-91 and 1909-10. According to this table, whilst in the year 1890-91 Imperial subventions bore 22·2 per cent. of the total cost, and Rates the remaining 77·8 per cent.; in the year 1909-10 the percentage borne by Imperial subventions had fallen to 7·8, whilst that which devolved upon the Rates had correspondingly increased to 92·2 per cent. In respect of amount, the sum so expended out of Rates for the year 1890-91 totalled £1,668,623, and in the year 1909-10 £3,363,801, or more than twice as much.

* See further, as to this, the Section entitled "London and the Single Tax, and the Taxation and Rating of Land Values."

A further table which appears in this Appendix (page 131) gives a comparison of the net cost of the "national" services other than Education and Main Roads, and shows the amount of the assigned revenues in the case of London and the rest of England and Wales, respectively.

According to this table, the percentage of assigned revenues to cost of services amounted in the case of London for the year 1890-91 to 27·2 per cent., whilst for the year 1908-9 this percentage of assigned revenues had fallen to 16·2 per cent.

	1890-91.		1908-9.	
	London.	Rest of England & Wales.	London.	Rest of England & Wales.
Percentage of assigned revenues to cost of services	27·2	46·7	16·2	30·9

It will be seen, accordingly, that whilst the percentage of assigned revenues in the case of the rest of England and Wales has also fallen substantially during the period 1890-91 to 1908-9, yet, notwithstanding this fall, that **the rest of England and Wales is still in a far more favourable position than is the case with London.**

A mass of valuable material bearing on the subject of London's Case against the Government is contained in the Memorandum submitted by the London County Council to the Departmental Committee on Local Taxation, to which reference has already been made. The figures given in this Memorandum are brought up to date in a subsequent Memorandum submitted on behalf of the Council by Mr. H. E. Haward, Comptroller of the Council, under date March 5, 1912. (See pages 95-140 of Appendix to the First Report of

the Departmental Committee on Local Taxation, Cd. 6303 of 1912.) The reader will be well advised, consequently, to refer personally to this Report.

Report of the Finance Committee relative to London's claim against the Imperial Exchequer.

The subject of London's claim against the Imperial Exchequer is also exhaustively dealt with in a report of the Finance Committee of the Council dated June 22, 1910. This report came before the Council at its meeting on June 28, 1910, when the following resolutions were adopted:—

- “(a) That, in the opinion of the Council, London has undoubted, urgent and special claims for increased grants from the Imperial Exchequer in aid of local rates.
- “(b) That the Council, having regard to the repeated intimations of the Prime Minister and the Chancellor of the Exchequer that the whole subject of grants from the Imperial Exchequer will receive early consideration, urges His Majesty's Government to take such immediate steps, by the appointment of a departmental committee or otherwise, as will prepare the way for the general settlement of the question so long and anxiously awaited by local authorities throughout the country.
- “(c) That, inasmuch as a complete readjustment of the relations between the Imperial Exchequer and local taxation must necessarily occupy a considerable time and in view of the exceptional hardships suffered by the London ratepayers, assistance such as was recommended by the Royal Commission on Local Taxation in 1901 should be at once afforded to London by means of an interim grant of such an amount as will enable the Council to pay out of the Exchequer contribution account a grant to guardians in London for costs of union officers calculated on a similar basis to that paid to boards of guardians in the rest of England and Wales, in substitution for the two grants peculiar to London under

section 43 of the Local Government Act, 1888, or of an alternative interim grant of an equivalent amount.

- “(d) That the claims of local authorities for increased grants in respect of (i) education, and (ii) costs of collection of local taxation licences should receive the immediate attention of His Majesty's Government, and should not be delayed until the general resettlement of the relations between the Imperial Exchequer and local taxation.
- “(e) That the Council desires to refer again to its memorandum forwarded to the Chancellor of the Exchequer on September 8, 1909, and to reiterate the opinion expressed in its resolution of May 3, 1910 (pages 879-81), that, having regard to the local character of the duties on land values, no part of the moiety of the proceeds of such duties allocated to local authorities should be appropriated, as proposed, to make good the shortage in the revenue from the beer and spirit surtaxes in 1909-10 or should be otherwise earmarked by Parliament for supplementing in any way the grants from the Imperial Exchequer in aid of services of a national character locally administered.
- “(f) That a copy of the foregoing report and resolutions (a) to (e) inclusive be forwarded to the Chancellor of the Exchequer, and that he be asked to receive a small deputation from the Council on the subject.
- “(g) That a copy of the foregoing report and resolutions (a) to (f) inclusive be sent to the Members of Parliament representing London constituencies.”

The Radical-Progressive Government Declines to assist London.

Mr. Hayes Fisher has done his utmost to induce the present Government to remedy the special grievances with which London at the present time is so heavily burdened. In both the past two years, Mr. Fisher has directed the Government's attention to the matter in the House of Commons by utilising the only available means, *i.e.*, by moving an amendment to the Address.

The following are the terms of the amendment to the Address moved twice, viz., on February 13, 1911, and on February 16, 1912, by Mr. Hayes Fisher:—

"But humbly represent to Your Majesty that this House regrets that, having regard to the rapidly-growing cost of education and other services of a predominantly national character, which has been accentuated by the additional duties cast upon local authorities by the legislation and departmental administration of the last six years, involving heavy and increasing burdens on local rates, which press with special severity on the ratepayers of London, Your Majesty's gracious Speech contains no announcement of measures to give effect to the recommendations of the Royal Commission on Local Taxation made in the year 1901 in favour of a large increase in the subventions from the Imperial funds in aid of local expenditure upon national services, or to compensate local authorities for the loss of rates owing to the reductions of assessable values of licensed premises as the result of the Finance (1909-10) Act, 1910."

Such an amendment ought to have received the support of every M.P. who has the interests of London ratepayers at heart. But what do we find? **In 1911, 24 London Radical M.P.'s voted against the amendment, and six London Radical M.P.'s had not the courage to vote. In 1912, 25 London Radical M.P.'s voted against, and six again failed to record their vote.**

February, 1911.

24 Radical M.P.'s who voted Against Mr. Fisher's Amendment.

NAME & CONSTITUENCY.

Addison, Dr. C., Hoxton.
Benn, W. W., St. George-in-the-East.
Bowerman, C. W., Deptford.
Burns, Rt. Hon. J., Battersea.
Carr-Gomm, H. W., Rotherhithe.
Chancellor, H. G., Haggerston.
Collins, S., Kennington.
Cornwall Sir E. A., Bethnal Green, N.E.
Crooks, W., Woolwich.
Dawes, J. A., Walworth.
Dickinson, W. H., St. Pancras, N.
Jones, W. S. Glyn-, Stepney.
Lansbury, G., Bow and Bromley.
Lough, Rt. Hon. T., Islington, W.

Macnamara, Rt. Hon. T. J., Camberwell, N.
Masterman, C. F. G., North West Ham.
Norton, Capt. C. W., West Newington.
Radford, G. H., Islington, E.
Richardson, A., Peckham.
Samuel, S. M., Whitechapel.
Spicer, Sir A., Hackney, C.
Strauss, E. A., Southwark, W.
Thorne, W., South West Ham.
Wiles, T., Islington, S.

6 Radical M.P.'s who did not vote.

Baker, J. A., Finsbury, E.
Bottomley, H. W., Hackney, S.
Buxton, Rt. Hon. S., Poplar.
Glanville, H. J., Bermondsey.
Martin, Hon. J., K.C., St. Pancras, E.
Pearce, W., Limehouse.

February, 1912.

25 Radical M.P.'s who voted Against Mr. Fisher's Amendment.

NAME & CONSTITUENCY.

Addison, Dr. C., Hoxton.
Baker, J. A., Finsbury, E.
Benn, W. W., St. George-in-the-East.
Bowerman, C. W., Deptford.
Burns, Rt. Hon. J., Battersea.
Buxton, Rt. Hon. S., Poplar.
Carr-Gomm, H. W., Rotherhithe.
Chancellor, H. G., Haggerston.
Collins, S., Kennington.
Cornwall, Sir E. A., Bethnal Green, N.E.
Crooks, W., Woolwich.
Dawes, J. A., Walworth.
De Forest, Baron, North-West Ham.
Dickinson, W. H., St. Pancras, N.

Glanville, H. J., Bermondsey.
Jones, W. S. Glyn-, Stepney.
Lough, Rt. Hon. T., Islington, W.
Macnamara, Rt. Hon. T. J., Camberwell, N.
Martin, Hon. J., K.C., St. Pancras, E.
Masterman, C. F. G., Bethnal Green, S.W.
Pearce, W., Limehouse.
Radford, G. H., Islington, E.
Spicer, Sir A., Hackney, C.
Strauss, E. A., Southwark, W.
Wiles, T., Islington, S.

6 Radical M.P.'s who did not vote.

Bottomley, H. W., Hackney, S.
Lansbury, G., Bow and Bromley.
Norton, Capt. C. W., W. Newington.
Richardson, Albion, Peckham.
Samuel, Stuart M., Whitechapel.
Thorne, W., South West Ham.

Increased Police Rate.

A burden over which the Council possesses no control is the Police Rate, which between the years 1906-7 and 1912-13 has increased from 5d. to 7d. in the pound. The earlier history as to this is dealt with in the 1910 Edition of *L.C.C. Facts and Arguments* (Vol. I., page 72, *et seq.*)

As regards the latter history, particulars as to this will be found in the quotation from Mr. Hayes Fisher's speech of May 8, 1912, set out on page 25 *supra*.

More detailed particulars are contained in Mr. Hayes Fisher's speech delivered in the House of Commons on March 13, 1912, on the occasion of the Committee stage of the Metropolitan Police Rate Bill, 1912. A full report of this debate will be found in *London Municipal Notes* for April, 1912 (page 198, *et seq.*) We desire to call special attention to the following passage in Mr. Fisher's speech:—

"For 40 years the proportion has been five-ninths by the ratepayers and four-ninths by the Exchequer; but look at the figures now! What is the amount for 1908-9, and what was the proportion then? In that year the ratepayers paid 51'8 per cent. and the Govern-

ment paid 48·2 per cent. In the year 1909-10 the ratepayers' proportion was 54·1 per cent. and the Government reduced its contribution to 45·9 per cent. In the year 1910-11 the ratepayers' proportion was 55·3 per cent., and the Government reduced its contribution to 44·7 per cent. In 1911-12, the last year for which the figures are available, the ratepayers' proportion was 57·3 per cent., and the Government reduced its contribution to 42·7 per cent. **That shows a continual falling off of the contribution on the part of the Government, and a continual rise in the amount of the money which the ratepayers have to pay towards this fund."**

The following table indicates in tabular form the fall which has taken place in the percentage expenditure on the Metropolitan Police Force defrayed out of the Imperial Exchequer during the past four years:—

Year.	Percentage of net expenditure defrayed out of Government Grants and Exchequer Con- tributions. (Excluding pay- ment for Police specially employed.)		
1908-9	48·2
1909-10	45·9
1910-11	44·7
1911-12	42·7

The percentage cost which devolves upon the London ratepayer, it will be seen, has consequently increased by 5·5 per cent. in the brief period of three years. The result is that the ratepayer is now called upon to bear nearly three-fifths of the total cost.

The amount of the Police Rate, as will be seen by a reference to the table on page 43, for the 20 years ended March, 1909, remained constant at 5d. in the pound. For the year 1909-10, it was increased to 5·5d., for the year 1910-11 to 5·75d., for the year 1911-12 to 6·25d., and for the year 1912-13 to 7·0d. This increase of 2d. in the pound is equivalent in amount to a sum of about £374,000.

Briefly, the contention of the Municipal Reform Party in regard to this subject is that inasmuch as the Metropolitan Police are used largely for national purposes, the Imperial Exchequer should bear a more proportionate share of the cost than is the case at the present time. Further, it should be borne in mind that when the Metropolitan Police Rate Bill, 1912, which gives the Government the power to raise the Police Rate from 9d. to 11d. in the pound, was passing through the House of Commons (viz.: on March 13, 1912), a determined effort was made by Unionist Members of Parliament to reduce the 11d. maximum to 10d. in the pound. In this endeavour, they were out-voted, with the result that the Government proposal went through the House of Commons. As further proof of how little assistance the Unionist Party receives from the London Radical-Progressive Members in striving to secure fair play for London, it should be noted that of the 31 Radical-Progressive M.P.'s for London, only two on this occasion voted against the Government. This was despite the fact that Mr. W. H. Dickinson, the Radical M.P. for North St. Pancras, spoke against the proposal. When, however, the vote was taken, Mr. Dickinson and a number of his colleagues voted with the Government. Mr. Joseph Martin, the Radical M.P. for East St. Pancras, voted against the increase, and in his speech in the House of Commons said:—

"I think that any Liberal Member undertaking to meet the objections put forward as they have been to-day by hon. gentlemen opposite with regard to this 2d. rate at any public meeting in London would have a very hard time of it. So far as I am concerned, I do not propose to put myself in that position."

Below we give a list of London Members of Parliament who voted for the retention of the 11d.

maximum, together in each instance with the name of the Constituency represented:—

METROPOLITAN POLICE RATE BILL, 1912.

March 13, 1912.

Voting of London Members on Mr. W. Hayes Fisher's amendment to reduce the maximum rate from 11d. to 10d. in the pound.

14 Radical M.P.'s voted against the Amendment.

Benn, W. W., St. George-in-the-East.
Carr-Gomm, H. W., Rotherhithe.
Collins, Stephen, Kennington.
Cornwall, Sir E. A., Bethnal Green, N.E.
Dawes, J. A., Walworth.
Dickinson, W. H., St. Pancras, N.
Glanville, H. J., Bermondsey.

Jones, W. S. Glyn., Stepney.
Macnamara, Rt. Hon. T. J., Camberwell, N.
Masterman, C. F. G., Bethnal Green, S.W.
Norton, Capt. C. W. W., Newington.
Pearce, W., Limehouse.
Radford, G. H., Islington, E.
Wiles, T., Islington, S.

The following 13 Radical and Labour M.P.'s did not vote.

Addison, Dr. C., Hoxton.
Baker, J. A., Finsbury, E.
Bottomley, H. W., Hackney, S.
Bowerman, C. W., Deptford.
Burns, Rt. Hon. J., Battersea.
Buxton, Rt. Hon. S. C., Poplar.
Chancellor, H. G., Haggerston.

De Forest, Baron, North West Ham.
Lough, Rt. Hon. T., Islington, W.
Richardson, A., Peckham.
Samuel, S. M., Whitechapel.
Spicer, Sir A., Hackney, C.
Strauss, E. A., Southwark, W.

In the result, another liability of 2d. in the £ was added to the burden of Londoners for expenses largely national in character.

London's Improved Credit.

Short sighted indeed must be the man or woman who fails to recognise how vitally important is the question of credit. More especially is this the case with a great Municipal body such as the London County Council, which is necessarily forced by circumstances from time to time to appeal to the Money Market, or to the public at large, for loans. Below we give a table which shows the average prices for the years specified for the under-mentioned British Municipal

securities, as also the fall in value which has taken place during the period of five years:—

Mean Prices for the Year.	1906.	1911.	Fall in Value.
Metropolitan Consolidated (1941)			
3% Stock	93.75	89.25	—4.50
Birmingham Corporation (1947)			
3% Stock	91.87	86.44	—5.43
Bristol Irredeemable 3½% Stock	104.50	97.75	—6.75
Glasgow " 3½% " "	107.37	102.12	—5.25
Liverpool " 3½% " "	108.12	100.50	—7.62
Manchester " 4% " "	123.56	114.69	—8.87

It will be recollected that so far as London is concerned, the year 1906 was the last complete year in which the Progressive-Socialists held sway over the London County Council. Further, it will be noted that the depreciation in this period of five years in the credit of London has been less than that of the other five great Municipalities referred to in the comparative table.

Even more instructive is the following table which shows that the depreciation in the credit of London during the period specified has been considerably less than the corresponding depreciation which has taken place in regard to Consols:—

Sellers' Prices.	Dec. 28, 1906.	Dec. 28, 1909.	Nov. 30, 1912.
2½% Consols	85½	82½	75½
London County 3% Stock ...	87½	88½	80½

The first date taken represents a date only two months prior to the defeat of the Progressives on the London County Council, whilst the last date is that on which this section is remitted to the printers for printing off.

It will be seen from the above that the fall in an approximate period of six years is in the case of Consols over ten points as compared with slightly under

seven points in the case of L.C.C. Stock. The fall per cent., consequently, in the case of the National security has been far heavier than that secured on the credit of London.

The following comparative table proves the relative steadiness of the price of London County Consolidated $3\frac{1}{2}$ per Cent. Stock during the last four and a half years compared with that of the corresponding stock of the Government of India:—

		India $3\frac{1}{2}$ per cent.	L.C.C. $3\frac{1}{2}$ per cent.
March 31, 1908	...	$101\frac{1}{4}$	101
Do. 1909	...	$97\frac{3}{4}$	$102\frac{3}{4}$
Do. 1910	...	$95\frac{1}{4}$	100
Do. 1911	...	$96\frac{1}{2}$	$100\frac{1}{2}$
Do. 1912	...	$94\frac{1}{4}$	100
November 30, 1912	...	92	$96\frac{7}{8}$

The Progressive-Socialists' Contribution to the Cause of Economy.

In conclusion, it should be carefully noted that during the past six years the Municipal Reform Majority has not only received no assistance whatsoever from the Progressive-Socialist Party on the Council in the work of keeping down expenditure, but that the latter have used every endeavour to pile up during this period additional capital expenditure. The London Municipal Society, during the present year, has employed an accountant to take out a record of the amendments moved in the Council by the Progressive-Socialists which would have had the effect of increasing expenditure. As a result, **it is estimated that it is safe to fix the extra capital expenditure which the Progressive-Socialists have endeavoured to force the majority to adopt at about 15 millions sterling.**

The additional annual maintenance expenditure of these schemes, had effect been given to them, would have worked out at something like a 4d. rate in the pound.

This fact in itself should sufficiently indicate what kind of treatment the London ratepayer may expect in the near future,* if, as a result of the Elections of March next, the Progressive-Socialist Party should, unhappily for London, again obtain a majority on the London County Council.

* In this connection, it is also instructive to note that Mr. G. L. Bruce, one of the most prominent members of the Progressive Party on the Council, in a Manifesto to his constituents, dated May 9, 1912, in which he outlines certain proposals in regard to Education, writes:—

"I am told that the expense is prohibitive. The present proposal will involve an increase of 4d. in the rates in the course of fifteen years. What I suggest will involve a further 9d."

This increase would not, however, cover the cost of the whole of Mr. Bruce's proposals. Moreover, in order to clinch the matter, he adds, further on:—

"I have seen the Education Rate 10d. It is now 1s. 10d. We shall see it 3s."

APPENDIX.

Subjoined are various important tables which bring the subject of L.C.C. Finance down to the latest year, in every instance, for which official figures are yet available.

The following table gives a comparison of the net debt secured upon the rates of the various classes of local authorities for the six financial years 1905-6 to 1910-11.

N.B.—It should be noted that this table gives not merely the net debt in respect of the London County Council, but also of the various other local authorities in London, both central and local.

	1905-6	1906-7	1907-8	1908-9	1909-10	1910-11
London County Council	£ 45,234,198	£ 48,313,749	£ 49,998,131	£ 50,648,538	£ 51,316,721	£ 51,832,845
Metropolitan Water Board (proportion)...	38,575,517	38,443,351	38,726,514	39,247,719	39,678,223	39,660,749
Metropolitan Asylums Board	3,404,669	3,222,644	3,113,612	2,932,373	2,747,389	2,549,228
Metropolitan Police Receiver (proportion)	208,486	241,408	226,131	210,360	190,486	172,894
Central (Unemployed) Body	—	35,695	31,845	28,200	25,200	22,200
Metropolitan Borough Councils and City Corporation (excluding debt of City not secured on rates)	13,684,404	13,999,854	13,870,735	13,599,403	13,303,995	12,905,195
Borough Market Trustees... ..	26,271	25,040	23,801	23,054	22,298	21,533
Guardians and sick asylum and school district managers	4,393,351	4,235,239	4,052,370	3,931,918	3,755,776	3,545,775
Total secured on rates	£105,596,986	£108,618,980	£109,983,139	£110,621,565	£111,948,088	£110,770,419

(Extracted from the "London Debt" Returns for the various years.)

The following table gives the amount of the various rates levied in London for the period 1890 to 1912:—

Year ended March 31.	'Average total rates made.	Rates for expenditure of central authorities.					Rates for expenditure of local authorities.				
		County rate (excluding education), (a)	Education rate.	Police rate.	Metropolitan Asylums Board rate.	Rate for Central (Unemployed) Body.	Total.	Borne centrally.		Borne locally (including cost of collection of all rates).	Total.
								Metropolitan Common Poor Fund rate.	Equalisation rate.		
1890	s. 5 2.3 d.	s. 1 0.53 d.	s. 0 8.89 d.	d.	d.	d.	s. 2 4.30 d.	d.	d.	s. 2 2.3 d.	s. 2 10.0 d.
1891	5 4.2	1 1.25	0 10.70	5	2.12	—	2 7.07	7.96	—	2 1.1	2 9.1
1892	5 4.6	0 11.75	0 11.01	5	2.25	—	2 6.01	7.75	—	2 2.8	2 10.6
1893	5 5.0	1 0.60	0 10.45	5	3.38	—	2 7.33	7.57	—	2 2.1	2 9.7
1894	5 8.8	1 1.00	0 10.21	5	3.50	—	2 7.71	7.87	—	2 5.2	3 1.1
1895	5 11.5	1 2.00	0 10.46	5	3.50	—	2 8.96	8.19	3	2 3.3	3 2.5
1896	6 1.5	1 3.00	0 11.30	5	3.00	—	2 10.50	8.37	6	2 0.6	3 3.0
1897	6 1.4	1 3.00	1 0.32	5	3.50	—	2 11.82	8.39	6	1 11.2	3 1.5
1898	6 0.9	1 2.00	1 0.36	5	4.00	—	2 11.62	8.46	6	1 9.5	3 0.0
1899	5 11.6	1 2.00	1 0.37	5	4.25	—	3 0.12	8.61	6	2 0.0	3 2.6
1900	6 2.7	1 1.80	1 1.37	5	4.88	—	3 2.36	8.82	6	2 0.6	3 3.4
1901	6 5.3	1 2.50	1 1.98	5	4.50	—	3 3.02	8.50	6	2 2.8	3 5.3
1902	6 8.3	1 3.00	1 2.52	5	5.87	—	3 5.03	8.85	6	2 5.7	3 8.6
1903	7 1.6	1 3.50	1 2.66	5	5.63	—	3 6.57	9.85	6	2 3.1	3 6.9
1904	7 1.5	1 4.75	1 3.19	5	4.63	—	3 7.38	9.27	6	2 3.9	3 7.2
1905	7 2.6	1 5	1 4	5	4.90	—	3 9.04	9.27	6	2 4.7	3 8.0
1906	7 5.0	1 5	1 6	5	5.38	.14	3 10.62	9.22	6	2 3.6	3 6.8
1907	7 5.4	1 5	1 7	5	5.00	.50	3 9.50	9.08	6	2 2.2	3 5.3
1908	7 2.8	1 5	1 6	5	5.25	—	3 10.25	9.05	6	2 2.5	3 5.5
1909	7 3.8	1 5	1 7	5	5.25	—	3 10.25	9.05	6	2 2.5	3 5.5
1910	7 4.7	1 5	1 7.75	5.5	5.25	.25	3 11.75	9.07	6	2 1.88	3 4.9
1911	7 5.6	1 5	1 8.25	5.75	4.62	.12	3 11.75	8.96	6	2 2.91	3 5.8
*1912	7 6.8	1 5	1 9.25	6.25	4.5	.25	4 1.25	8.71	6	2 3.97	3 6.08
*1913	7 5.0	1 5	1 9.25	7.0	5.0	.25	4 2.50	8.89	6	2 1.37	3 4.26

(a) Including the rate levied to provide for the indoor pauper grant which is in relief of local rates. In 1908-9 the amount of this grant was equal to a rate of 1.77d. in the £, and in earlier years to a somewhat larger rate. The figures for the two years ended March 31, 1912 and 1913, are taken from the report of the Local Government, &c., Committee of the L.C.C., dated October 18, 1912.

Apropos of the foregoing table as to Rates levied, attention is directed to the following extract from the Report of the Local Government Records and Museums Committee, dated October 18, 1912:—

"The precept of the Central (Unemployed) Body for the half-year ending March 31, 1913, has not yet been finally settled, but it will probably be the same as that for the previous half-year ('125d. in the pound). Subject to this, the total of the precept rates levied to meet the expenditure of the central authorities (the Council, the receiver of the Metropolitan Police district, the Metropolitan Asylums Board and the Central [Unemployed] Body) amounts to 4s. 2'5d., an increase of 1'25d. in the pound; while the rates levied to meet the expenditure of the local authorities outside the City of London (including cost of, and losses in, collection of all rates) show an average decrease of 2'42d. in the pound, **making a net decrease in the average total rate of 1'17d. in the pound.**

"The variations in the rates of the several authorities are shown in the following table:—

Precept rates for expenditure of central authorities—	Increase (+) or decrease (—).		
	1911-12. s. d.	1912-13. s. d.	d.
County rate—			
General—For education purposes	1 9'25	1 9'25	—
For purposes other than education	1 2'75	1 2'65	— 0'10
Special	2'25	2'35	+ 0'10
Police rate	6'25	7'00	+ 0'75
Asylums Board rate...	4'50	5'00	+ 0'50
Central (Unemployed) Body rate...	0'25	0'25	—
	<u>4 1'25</u>	<u>4 2'50</u>	<u>+ 1'25</u>

Rates for expenditure of local authorities—	Increase (+) or decrease (—).		
	1911-12. s. d.	1912-13. s. d.	d.
Borne centrally—			
Metropolitan common poor fund rate	8'71	8'89	+ 0'18
Equalisation fund rate	6'00	6'00	—
Borne locally (average, including cost of, and losses in, collection of all rates)	2 3'97	2 1'37	— 2'60
	<u>3 6'68</u>	<u>3 4'26</u>	<u>— 2'42</u>
Total average rate (excluding the City of London)	<u>7 7'93</u>	<u>7 6'76</u>	<u>— 1'17</u>

"It is not yet possible to say to what extent the decrease in the local rates is due to reduced expenditure for poor law or municipal purposes or to reductions in the cost of, and losses in, rate collection, but we will report on these points at a later date."

(Extracted from L.C.C. Agenda for October 29, 1912, pp. 83-85.)

Candidates and others would be well advised to refer to the exhaustive speech by Mr. R. C. Norman, the Chairman of the Finance Committee, delivered in the Council on April '30, 1912, in submitting the Annual Estimates for the current financial year. A full report of this speech appears in *London Municipal Notes* for May, 1912, pp. 305-316.

Much useful information bearing on the different departments of the Council's finances is to be found each year in the Annual Report of the District Auditor on the Council's Accounts. Unfortunately, the latest year yet covered by this Report is that ended March 31, 1911. The report for this period will be found in *London Municipal Notes* for June, 1911, pp. 393-402.

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